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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/807,431	03/23/2004	Thomas R. Gandre	020375-053700US	4231
20350 7590 12/15/2008 TOWNSEND AND TOWNSEND AND CREW, LLP TWO EMBARCADERO CENTER EIGHTH FLOOR SAN FRANCISCO, CA 94111-3834			EXAMINER OBEID, MAMON A	
			ART UNIT 3621	PAPER NUMBER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/807,431	<b>Applicant(s)</b> GANDRE ET AL.	
	<b>Examiner</b> MAMON OBEID	<b>Art Unit</b> 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 04 September 2008.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                     | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Acknowledgements***

1. This is in reply to the claim amendments filed on September 04, 2008.
2. Claims 21- 43 have been canceled.
3. Claims 1- 20 are pending and have been examined.

### ***Specification***

4. The specification is objected to as failing to provide proper antecedent basis for the claimed subject matter. See 37 CFR 1.75(d)(1), MPEP §608.01(o), and MPEP §2181. Correction of the following is required:

- a. “means for receiving” as recited in claim 11 (a).
- b. “means for receiving” as recited in claim 11 (b).
- c. “means for obtaining” as recited in claim 11 (d).
- d. “means for comparing” as recited in claim 11 (e).
- e. “means for requiring” as recited in claim 11 (f).

### **5. *Claim Rejections - 35 USC § 112***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 11- 20, are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

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8. In claim 11, for example, the specification does not clearly link the corresponding structure to:

- f. “means for receiving” as recited in claim 11 (a).
- g. “means for receiving” as recited in claim 11 (b).
- h. “means for obtaining” as recited in claim 11 (d).
- i. “means for comparing” as recited in claim 11 (e).
- j. “means for requiring” as recited in claim 11 (f).

Nor was such structure implicitly described in the specification in such a manner that it would have been obvious to one of ordinary skill in the art at the time of the invention.

### ***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1- 20, as understood by the Examiner, are rejected under 35 U.S.C. 103(a) as being unpatentable over Berardi et al (U.S. Patent Application Publication No. 2004/0049451 A1) in view of Langhans et al (U.S. Patent No. 5,621,201).

11. **As per claim 1:** Berardi discloses:

- a. a user presenting a form of account identification to an electronic transaction device to initiate a transaction (§ [0006]);
- b. inputting a transaction amount (§ [0089]);
- c. providing a table that includes a plurality of merchant categories and transaction threshold amounts for each merchant category (§ [0089]);
- d. obtaining the merchant category for each initiated transaction (§ [0040]);
- e. comparing the inputted transaction amount to the transaction threshold associated with the merchant (§ [0089]);
- f. requiring the use to enter the secret code for the selected transaction if the inputted transaction amount exceeds the transaction threshold amount associated with the merchant (§ [0089]).

12. Berardi does not explicitly disclose a table including a plurality of merchant categories. Langhans, however, discloses providing a table that includes a plurality of merchant categories and transaction threshold amounts for each merchant category; obtaining the merchant category for each initiated transaction, wherein the table resides at a payment network and step (e) is performed by the payment network (column 7, lines 17- column 8, line 27, figure 8 and related text).

13. Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Berardi teachings to include a plurality or

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merchant codes associated with a spending limit to allows a spending limit to be applied over a company-defined cycle, such as a monthly cycle or other billing cycle and to allow a company's open-to-buy limit to be applied (the available credit at the company level after deducting individual expenditures) which means that the authorization request, if approved to this point, must not cause the company credit line to be exceeded (Langhans, column 8, lines 4- 13).

14. **As per claim 2:** Berardi discloses wherein the selected transactions are transactions where the form of account identification is contactless (§ [0002]).

15. **As per claim 3:** Berardi discloses automatically routing the transaction to a user's stored value account for debiting of the transaction amount (§ [0015]).

16. **As per claim 4:** Berardi discloses wherein the merchant transactions are debit transactions (§ [0006]).

17. **As per claim 5:** Berardi discloses wherein the secret code is a PIN (§ [0038]).

18. **As per claim 6:** Berardi discloses wherein the form of account identification is a physical contactless device (§ [0032]).

19. **As per claim 7:** Berardi discloses wherein the form of account identification is a magnetic stripe card (§ [0038]).

20. **As per claim 8:** Berardi discloses wherein the form of account identification is biometric data (§ [0038]).

21. **As per claims 9 and 10:** Berardi discloses all the limitations of claim 1 as shown above but does not expressly disclose wherein the merchant categories are defined by SIC codes. Langhans, however, discloses merchant SIC codes (column 1, lines 38- 50).

22. Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Berardi teachings to include a merchant category codes/ SIC codes, disclosed by Langhans, to monitor account/ credit usage to detect fraud or fraud patterns which is desirable from a bank's perspective. Banks incorporate features in administering a credit card system which allows them to monitor usage. For example, banks can obtain reports showing usage in a particular geographic area, or usage for particular types of merchants, and compare these to the incidents of reported fraud. One useful test is that of "velocity checking." Velocity checking involves determining how often a card is used within a particular time period. Such a check could, for example, uncover fraudulent activity, although this may be hard to distinguish from non-fraudulent cardholder activity (see Langhans at column 1, lines 38- 61).

23. Claims 11- 20 recite an apparatus that implements the method of claims 1- 10 and therefore claims 11- 20 are rejected based on the same rationale of the method claims.

11. **Examiner's Note:** The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

### ***Response to Arguments***

12. Applicant's arguments filed September 4, 2008 have been fully considered but they are not persuasive.

13. Applicants argues (page 7) : “Langhans describes a test to determine if a special dollar limit is imposed on transactions conducted with merchants in certain merchant code groupings, but does not explicitly describe a table of threshold amounts”. However, the Examiner respectfully disagrees. Langhans discloses a Merchant Category Code Groups (MCCG). MCCGs are lists of merchant category codes associated with a group code. These group codes can represent a series, range, and/or



individual merchant category codes. The company has the option to establish up to 999 such MCCGs and assign them to account records within the company's authorization hierarchy. Langhans further discloses single transaction amount limit for controlling the total currency value of any single request for authorization transaction. If the transaction amount of the request for authorization exceeds the single transaction amount limit on the cardholder account, the authorization request will be denied (column 11, line 51-column 12, line 51).

14. Applicants argues (page 7): "As is described in Applicants' specification, having the table positioned more closely to the point of sale reduces the number of network communications that must occur. (Specification paragraph [0038]) As such, Applicants' invention as claimed is not disclosed by Berardi and Langhans, and provides a benefit (the reduction in network traffic) not provided or suggested by Berardi and Langhans, even in combination". However, the Examiner respectfully disagrees. The combination Berardi and Langhans clearly read on Applicant's claims as currently recited.

Specifically, the combination discloses "wherein the table resides at a payment network and step (e) is performed by the payment network" (Langhans: figure 8 and related text).

***Conclusion***

24. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

25. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

26. Any inquiry concerning this communication or earlier communications from the examiner should be directed to MAMON OBEID whose telephone number is (571)270-1813. The examiner can normally be reached on Mon-Fri 9:30 AM- 6:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew J. Fischer can be reached on (571) 272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR.

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Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Mamon Obeid  
Examiner  
Art Unit: 3621  
December 13, 2008

/Calvin L Hewitt II/  
Supervisory Patent Examiner, Art Unit 3685